

PART 1 - PUBLIC

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**Decision Maker:** **Adult & Community Services Policy Development & Scrutiny Committee**

**Date:** 26 July 2011

**Decision Type:** Non-Urgent Executive Key

**Title:** **BUDGET MONITORING 2011/12**

**Contact Officer:** Lesley Moore, Deputy Finance Director,  
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**Chief Officer:** Terry Rich, Director of Adult & Community Services

**Ward:** Borough Wide

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1. Reason for report

This report provides the first budget monitoring position for 2011/12 which is primarily based on any overspends/under spends in 2010/11 that follow through into 2011/12 where no additional funding has been set aside in the 2011/12 budget. The report also highlights significant variations arising in this financial year based on activity up to May 2011.

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2. **RECOMMENDATIONS**

- 2.1 Note that a projected overspend of £60,000 is forecast on the first budget monitoring report for 2011/12 based on information as at May 2011.
- 2.2 Note that Executive is being asked to approve the carry forward requests in Appendix 2.

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Excellent Council.
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### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: Recurring cost.
  3. Budget head/performance centre: Adult and Community Services Portfolio
  4. Total current budget for this head: £101.9m
  5. Source of funding: ACS Approved Budget
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### Staff

1. Number of staff (current and additional): 712 fte's
  2. If from existing staff resources, number of staff hours:
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### Legal

1. Legal Requirement: Statutory requirement. The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000; and the Local Government Act 2002.
  2. Call-in: Call-in is applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2011/12 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: Council wide

### 3. POLICY IMPLICATIONS

- 3.1 The Resources Portfolio Plan for 2011/12 includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 3.2 Bromley's Best Value Performance Plan "Making a Difference" refers to the Council's intention to remain amongst the lowest Council Tax levels in outer London and the importance of greater focus on priorities.
- 3.3 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2011/12 to minimise the risk of compounding financial pressures in future years.
- 3.4 Chief Officers and Departmental Heads of Finance are continuing to place emphasis on the need for strict compliance with the Council's budgetary control and monitoring arrangements.

### 4. FINANCIAL IMPLICATIONS

- 4.1 A detailed breakdown of the Latest Approved Budgets and Projected Outturn by service area is shown in Appendix 1.
- 4.2 The first significant variation identified this year relates to Bed and Breakfast and temporary accommodation placements. There has been a marked increase in the number of households presenting with housing needs, particularly those faced with imminent homelessness, mainly due to rent or mortgage arrears or the loss of private rented sector accommodation. Since December 2010 there has been an increase of 16% in numbers requiring temporary accommodation and 29% for B&B placements.

There is also a reduced number of properties available for temporary and bed and breakfast accommodation, which means that there is greater competition between other London boroughs for available units. As a result there is an increase in the use of more expensive nightly paid accommodation, meaning that additional cost pressures of around £60,000 are currently forecast.

- 4.3 Costs attributable to individual services have been classified as "controllable" and "non-controllable" Appendix 1. Budget holders have full responsibility for those budgets classified as "controllable" as any variations relate to those factors over which the budget holder has, in general, direct control. "Non-controllable" budgets are those which are managed outside of individual budget holder's service and, as such, cannot be directly influenced by the budget holder in the shorter term. These include, for example, building maintenance costs and property rents which are managed by the Property Division but are allocated within individual departmental/portfolio budgets to reflect the full cost of the service. As such, any variations arising are shown as "non-controllable" within services but "controllable" within the Resources Portfolio. Other examples include cross departmental recharges and capital financing costs. This approach, which is reflected in financial monitoring reports to budget holders, should ensure clearer accountability by identifying variations within the service that controls financial performance. Members should specifically refer to the "controllable" budget variations relating to portfolios in considering financial performance.

<b>Non-Applicable Sections:</b>	Legal, Personnel, Customer Impact
Background Documents: (Access via Contact Officer)	2011/12 Budget Monitoring files within Adult & Community Services Finance Section

